

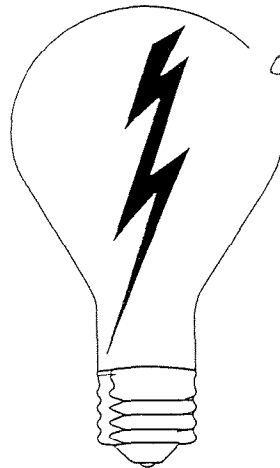
RECEIVED BY
YEAR 1999
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PUBLIC SERVICE
COMMISSION

ANNUAL REPORT
OF

The Washington Water Power Company

ELECTRIC U

The Company's name
changed last name (as
noted in last yr's report).
Also, John Buerger is no
longer the person to
correspond with.



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

IDENTIFICATION

Year: 1999

1.	Legal Name of Respondent:	Avista Corporation
2.	Name Under Which Respondent Does Business:	Avista Corp.
3.	Date Utility Service First Offered in Montana	July, 1960
4.	Address to send Correspondence Concerning Report:	1411 E. Mission Ave. P. O. Box 3727 Spokane, WA 99220
5.	Person Responsible for This Report:	Christy Burmeister-Smith Vice President and Controller
5a.	Telephone Number:	(509) 495-4171
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person:	
1b.	Means by which control was held:	
1c.	Percent Ownership:	

SCHEDULE 2

Board of Directors			
Line No.	Name of Director and Address (City, State)		Remuneration
	(a)		(b)
1	Thomas M. Matthews (1)	1411 E. Mission Avenue, Spokane, WA 99202	\$942,431
2	David A. Clack	E. 325 Sprague Avenue, Spokane, WA 99202	\$60,400
3	Sarah M. R. Jewell	1201 Third Ave., Suite 1000, Seattle, WA 98101	\$51,600
4	John F. Kelly	19300 Pacific Highway S., Seattle, WA 98168	\$52,800
5	Jessie J. Knight, Jr.	402 W. Broadway, Suite 1000, San Diego, CA 92101	\$40,400
6	Eugene W. Meyer	3 Plumbridge Lane, Hilton Head Island, SC 29928	\$64,000
7	Bobby Schmidt	J-14 The Village at Wexford, Hilton Head Island, SC 29928	\$57,600
8	Larry A. Stanley	311 W. 32nd Avenue, Spokane, WA 99203	\$60,400
9	R. John Taylor	P. O. Box 538, Lewiston, ID 83501	\$65,200
10	Daniel J. Zaloudek	8405 S. Canton, Tulsa, OK 74137	\$54,000
11			
12			
13	(1) Mr. Matthews is Chairman of the Board, President and Chief Executive Officer		
14			
15			
16			
17			
18			
19			
20			

Officers

Year: 1999

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1			
2	Chairman of the Board, President &	-	Thomas M. Matthews
3	Chief Executive Officer		
4			
5	Executive Vice President	-	Gary G. Ely
6			
7	Senior Vice President & Chief	Finance	Jon E. Eliassen
8	Financial Officer		
9			
10	Senior Vice President & General	-	David J. Meyer
11	Counsel		
12			
13	Vice President - Investor Relations	Investor Relations	David A. Brukardt
14			
15	Vice President & Controller	Finance	Christy Burmeister-Smith
16			
17	Vice President - External Relations	External Relations	Robert D. Fukai
18			
19	Vice President - Human Resources	Human Resources	JoAnn G. Matthiesen
20	& Support Services		
21			
22	Vice President & Treasurer	Finance	Ronald R. Peterson
23			
24	Vice President & Corporate Secretary	Shareholder Relations	Terry L. Syms
25			
26	Vice President & General Manager -	Energy Delivery	Edward H. Turner
27	Energy Delivery		
28			
29	Vice President - Corporate	Corporate Development	Roger D. Woodworth
30	Development		
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CORPORATE STRUCTURE

Year: 1999

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Avista Capital	Parent company to all of the	(33,439,442)	100.00%
3		Company's non-regulated		
4		subsidiaries		
5				
6				
7	Pentzer Corporation	Within Avista Capital; holding		
8		company to all the Company's		
9		subsidiaries, except those listed		
10		below		
11				
12				
13	Avista Advantage	Provides various energy services		
14				
15				
16	Avista Communications	Local telecommunications		
17				
18				
19	Avista Development	Non-operating		
20				
21				
22	Avista Energy	Wholesale power marketing		
23				
24				
25	Avista Fiber	Designs, builds and manages		
26		metropolitan area fiber optic		
27		cable network		
28				
29				
30	Avista International	Non-operating		
31				
32				
33	Avista Labs	Developing alternative energy		
34		energy products and related R&D		
35				
36				
37	Avista Power	Purchase and develop generating		
38		facilities		
39				
40				
41	Avista Services	Products and services to utility		
42		customers		
43				
44				
45	Altus Corporation	Non-operating		
46				
47				
48				
49				
50				
51	TOTAL		(33,439,442)	

CORPORATE ALLOCATIONS

Year: 1999

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Not Applicable					
2						
3						
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34	TOTAL			0	0.00%	0

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

Year: 1999

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	Not Applicable					
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32	TOTAL			0		0

Company Name: Avista Corporation

SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 1999

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	Not Applicable					
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32	TOTAL			0		0

MONTANA UTILITY INCOME STATEMENT

Year: 1999

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	16,438,545	24,779,044	50.74%
2				
3	Operating Expenses			
4	401 Operation Expenses	25,490,277	28,150,004	10.43%
5	402 Maintenance Expense	4,215,550	4,244,781	0.69%
6	403 Depreciation Expense	9,041,118	18,324,522	102.68%
7	404-405 Amortization of Electric Plant	none / n.a.	none / n.a.	
8	406 Amort. of Plant Acquisition Adjustments	none / n.a.	none / n.a.	
9	407 Amort. of Property Losses, Unrecovered Plant			
10	& Regulatory Study Costs	none / n.a.	none / n.a.	
11	408.1 Taxes Other Than Income Taxes	9,196,632	8,980,717	-2.35%
12	409.1 Income Taxes - Federal	none / n.a.	none / n.a.	
13	- Other	227,779	301,231	32.25%
14	410.1 Provision for Deferred Income Taxes	none / n.a.	none / n.a.	
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	none / n.a.	none / n.a.	
16	411.4 Investment Tax Credit Adjustments	none / n.a.	none / n.a.	
17	411.6 (Less) Gains from Disposition of Utility Plant	none / n.a.	none / n.a.	
18	411.7 Losses from Disposition of Utility Plant	none / n.a.	none / n.a.	
19				
20	TOTAL Utility Operating Expenses	48,171,356	60,001,255	24.56%
21	NET UTILITY OPERATING INCOME	(31,732,811)	(35,222,211)	-11.00%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	7,546	8,645	14.56%
3	442 Commercial & Industrial - Small	1,899	1,877	-1.16%
4	Commercial & Industrial - Large			
5	444 Public Street & Highway Lighting			
6	445 Other Sales to Public Authorities			
7	446 Sales to Railroads & Railways			
8	448 Interdepartmental Sales	4,554	5,037	10.61%
9				
10	TOTAL Sales to Ultimate Consumers	13,999	15,559	11.14%
11	447 Sales for Resale	14,783,259	23,773,038	60.81%
12				
13	TOTAL Sales of Electricity	14,797,258	23,788,597	60.76%
14	449.1 (Less) Provision for Rate Refunds			0.00%
15				
16	TOTAL Revenue Net of Provision for Refunds	14,797,258	23,788,597	60.76%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues			
19	451 Miscellaneous Service Revenues			
20	453 Sales of Water & Water Power	14,642	7,706	-47.37%
21	454 Rent From Electric Property	129,677	101,179	-21.98%
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues	1,496,968	881,562	-41.11%
24				
25	TOTAL Other Operating Revenues	1,641,287	990,447	-39.65%
26	Total Electric Operating Revenues	16,438,545	24,779,044	50.74%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 1999

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	177,841	145,257	-18.32%
6	501 Fuel	11,638,197	13,918,947	19.60%
7	502 Steam Expenses	1,040,391	1,045,318	0.47%
8	503 Steam from Other Sources	(206)	1,476	816.50%
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	456,660	328,221	-28.13%
11	506 Miscellaneous Steam Power Expenses	940,005	1,047,873	11.48%
12	507 Rents		(23,626)	
13				
14	TOTAL Operation - Steam	14,252,888	16,463,466	15.51%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	132,208	121,343	-8.22%
18	511 Maintenance of Structures	293,649	277,416	-5.53%
19	512 Maintenance of Boiler Plant	1,642,459	1,794,003	9.23%
20	513 Maintenance of Electric Plant	336,837	207,295	-38.46%
21	514 Maintenance of Miscellaneous Steam Plant	304,517	362,008	18.88%
22				
23	TOTAL Maintenance - Steam	2,709,670	2,762,065	1.93%
24				
25	TOTAL Steam Power Production Expenses	16,962,558	19,225,531	13.34%
26				
27	Nuclear Power Generation			
28	Operation			
29	517 Operation Supervision & Engineering			
30	518 Nuclear Fuel Expense			
31	519 Coolants & Water			
32	520 Steam Expenses			
33	521 Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35	523 Electric Expenses			
36	524 Miscellaneous Nuclear Power Expenses			
37	525 Rents			
38				
39	TOTAL Operation - Nuclear	0	0	0.00%
40				
41	Maintenance			
42	528 Maintenance Supervision & Engineering			
43	529 Maintenance of Structures			
44	530 Maintenance of Reactor Plant Equipment			
45	531 Maintenance of Electric Plant			
46	532 Maintenance of Miscellaneous Nuclear Plant			
47				
48	TOTAL Maintenance - Nuclear	0	0	0.00%
49				
50	TOTAL Nuclear Power Production Expenses	0	0	0.00%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 1999

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering	196,664	169,580	-13.77%
5	536 Water for Power		714,837	
6	537 Hydraulic Expenses	22,751	199,430	776.58%
7	538 Electric Expenses	614,407	615,881	0.24%
8	539 Miscellaneous Hydraulic Power Gen. Expenses	110,159	107,511	-2.40%
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic	943,981	1,807,239	91.45%
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering	153,509	68,608	-55.31%
15	542 Maintenance of Structures	68,861	110,093	59.88%
16	543 Maint. of Reservoirs, Dams & Waterways	625,216	680,875	8.90%
17	544 Maintenance of Electric Plant	390,654	363,040	-7.07%
18	545 Maintenance of Miscellaneous Hydro Plant	35,515	150,639	324.16%
19				
20	TOTAL Maintenance - Hydraulic	1,273,755	1,373,255	7.81%
21				
22	TOTAL Hydraulic Power Production Expenses	2,217,736	3,180,494	43.41%
23				
24	Other Power Generation			
25	Operation			
26	546 Operation Supervision & Engineering			
27	547 Fuel			
28	548 Generation Expenses			
29	549 Miscellaneous Other Power Gen. Expenses	2,695		-100.00%
30	550 Rents	151	(99)	-165.56%
31				
32	TOTAL Operation - Other	2,846	(99)	-103.48%
33				
34	Maintenance			
35	551 Maintenance Supervision & Engineering			
36	552 Maintenance of Structures			
37	553 Maintenance of Generating & Electric Plant			
38	554 Maintenance of Misc. Other Power Gen. Plant			
39				
40	TOTAL Maintenance - Other	0	0	0.00%
41				
42	TOTAL Other Power Production Expenses	2,846	(99)	-103.48%
43				
44	Other Power Supply Expenses			
45	555 Purchased Power	8,705,788	8,434,544	-3.12%
46	556 System Control & Load Dispatching	29,401		-100.00%
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses	8,735,189	8,434,544	-3.44%
50				
51	TOTAL Power Production Expenses	27,918,329	30,840,470	10.47%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 1999

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	9,792	9,544	-2.53%
4	561 Load Dispatching	26,650	28,459	6.79%
5	562 Station Expenses	17,430	14,369	-17.56%
6	563 Overhead Line Expenses	16,293	17,147	5.24%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others	344,133	287,793	-16.37%
9	566 Miscellaneous Transmission Expenses			
10	567 Rents	85,399	25,647	-69.97%
11				
12	TOTAL Operation - Transmission	499,697	382,959	-23.36%
13	Maintenance			
14	568 Maintenance Supervision & Engineering	17,917	(699)	-103.90%
15	569 Maintenance of Structures	63	2,467	3815.87%
16	570 Maintenance of Station Equipment	57,472	46,868	-18.45%
17	571 Maintenance of Overhead Lines	92,744	42,823	-53.83%
18	572 Maintenance of Underground Lines			
19	573 Maintenance of Misc. Transmission Plant			
20				
21	TOTAL Maintenance - Transmission	168,196	91,459	-45.62%
22				
23	TOTAL Transmission Expenses	667,893	474,418	-28.97%
24				
25	Distribution Expenses			
26	Operation			
27	580 Operation Supervision & Engineering			
28	581 Load Dispatching			
29	582 Station Expenses		1,388	
30	583 Overhead Line Expenses	325		-100.00%
31	584 Underground Line Expenses		69	
32	585 Street Lighting & Signal System Expenses			
33	586 Meter Expenses			
34	587 Customer Installations Expenses			
35	588 Miscellaneous Distribution Expenses			
36	589 Rents			
37				
38	TOTAL Operation - Distribution	325	1,457	348.31%
39	Maintenance			
40	590 Maintenance Supervision & Engineering		25	
41	591 Maintenance of Structures		20	
42	592 Maintenance of Station Equipment	329	152	-53.80%
43	593 Maintenance of Overhead Lines	35,347	2,214	-93.74%
44	594 Maintenance of Underground Lines			
45	595 Maintenance of Line Transformers			
46	596 Maintenance of Street Lighting, Signal Systems			
47	597 Maintenance of Meters			
48	598 Maintenance of Miscellaneous Dist. Plant			
49				
50	TOTAL Maintenance - Distribution	35,676	2,411	-93.24%
51				
52	TOTAL Distribution Expenses	36,001	3,868	-89.26%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 1999

Account Number & Title		Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision			
4	902 Meter Reading Expenses			
5	903 Customer Records & Collection Expenses			
6	904 Uncollectible Accounts Expenses			
7	905 Miscellaneous Customer Accounts Expenses			
8				
9	TOTAL Customer Accounts Expenses	0	0	0.00%
10				
11	Customer Service & Information Expenses			
12	Operation			
13	907 Supervision			
14	908 Customer Assistance Expenses			
15	909 Informational & Instructional Adv. Expenses			
16	910 Miscellaneous Customer Service & Info. Exp.			
17				
18	TOTAL Customer Service & Info Expenses	0	0	0.00%
19				
20	Sales Expenses			
21	Operation			
22	911 Supervision			
23	912 Demonstrating & Selling Expenses			
24	913 Advertising Expenses			
25	916 Miscellaneous Sales Expenses			
26				
27	TOTAL Sales Expenses	0	0	0.00%
28				
29	Administrative & General Expenses			
30	Operation			
31	920 Administrative & General Salaries	38,491	8,350	-78.31%
32	921 Office Supplies & Expenses	36,602	38,439	5.02%
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed	84,405	39,716	-52.95%
35	924 Property Insurance	89,002	65,468	-26.44%
36	925 Injuries & Damages	14,443	8,272	-42.73%
37	926 Employee Pensions & Benefits	14,902	5,978	-59.88%
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses	775,741	893,005	15.12%
40	929 (Less) Duplicate Charges - Cr.			
41	930.1 General Advertising Expenses			
42	930.2 Miscellaneous General Expenses	1,765	1,210	-31.44%
43	931 Rents			
44				
45	TOTAL Operation - Admin. & General	1,055,351	1,060,438	0.48%
46	Maintenance			
47	935 Maintenance of General Plant	28,253	15,591	-44.82%
48				
49	TOTAL Administrative & General Expenses	1,083,604	1,076,029	-0.70%
50				
51	TOTAL Operation & Maintenance Expenses	29,705,827	32,394,785	9.05%

MONTANA TAXES OTHER THAN INCOME

Year: 1999

	Description of Tax	Last Year	This Year	% Change
1	Real and Personal Property Tax	8,526,935	8,411,000	-1.36%
2				
3	Kilowatt Hour Tax	657,626	541,260	-17.69%
4				
5	Unemployment Tax	3,644	3,679	0.96%
6				
7	Motor Vehicle Tax	2,461	1,585	-35.60%
8				
9	Consumer Council Tax	5,944	16,411	176.09%
10				
11	Public Commission Tax	22	6,782	30727.27%
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51	TOTAL MT Taxes Other Than Income	9,196,632	8,980,717	-2.35%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 1999

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Acres International Corp.	Environmental & Engineering Consulting	790,969		0.00%
2	Anderson-Mraz-Design	Graphic Design Services & Consulting	109,253		0.00%
3	Beacon Hill Partners	Proxy Solicitation	46,090		0.00%
4	Belles Consulting	Computer Services & Consulting	148,488		0.00%
5	Carney, Badley, Smith & Spellman	Legal	30,197		0.00%
6					
7	CJ Design	Computer Services & Consulting	77,688		0.00%
8	Clark White & Associates	Advertising	388,965		0.00%
9	Cravath, Swaine & Moore	Legal	27,400		0.00%
10	Davis, Polk & Wardwell	Legal	275,000		0.00%
11	Davis ,Wright, Tremaine, LLP	Legal	117,874		0.00%
12					
13	Donelan, Cleary, Wood & Maser PC	Legal	45,382		0.00%
14	Financial Concepts	Business Consulting	50,148		0.00%
15	Gartner Group Inc.	Business Consulting	138,945		0.00%
16	GEI Consultants Inc.	Engineering Consulting	40,757		0.00%
17	General Physics	Engineering Consulting	199,570		0.00%
18					
19	Gordon Murray Tilden	Legal	64,604		0.00%
20	GT Consulting	Hydro Relicensing Consultants	26,304		0.00%
21	Information Intellect Inc.	Business Consulting	54,898		0.00%
22	Landau Associates Inc.	Environmental & Engineering Consulting	472,674		0.00%
23	Lukas & Ayer, Inc.	Hydro Relicensing Consultants	346,556		0.00%
24					
25	Merrill Corporating	Proxy Solicitation	37,594		0.00%
26	New Energy Associates L L C	Business Consulting	50,505		0.00%
27	Paine, Hamblen, Coffin, Brooke & Miller	Legal	1,853,754		0.00%
28	PDS	Computer Services & Consulting	73,526		0.00%
29	Pillsbury, Madison & Sutro	Legal	27,943		0.00%
30					
31	Reid & Priest	Legal	593,309		0.00%
32	S S R Inc. Engineers	Engineering Consulting	244,997		0.00%
33	The Alexander Group	Business Consulting	65,599		0.00%
34	Washington Forestry Consulting	Environmental Consulting	44,962		0.00%
35	Watson, Wyatt & Company	Legal	448,411		0.00%
36					
37	Wells, St. John, Roberts, Gregory & Matkin	Legal	287,520		0.00%
38	Whitman, Breed, Abbott & Morgan	Legal	80,257		0.00%
39	Wiggin Dana	Legal	29,022		0.00%
40	Windstar Group Inc.	Business Consulting	882,948		0.00%
41	Winston & Strawn	Legal	66,368		0.00%
42					
43	Winthrop, Stimson, Putnam & Roberts	Legal	32,798		0.00%
44	Witherspoon, Kelley, Davenport, Toole	Legal	147,619		0.00%
45	Van Ness Feldman	Legal	524,721		0.00%
46	Vander Stoep Remund	Legal	40,706		0.00%
47					
48					
49					
50	TOTAL Payments for Services		8,984,321	0	0.00%

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 1999

	Description	Total Company	Montana	% Montana
1	No contributions in 1999			
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50	TOTAL Contributions	0	0	0.00%

Pension Costs

Year: 1999

1	Plan Name The Retirement Plan for Employees of Avista Corporation			
2	Defined Benefit Plan? <u>Yes</u>	Defined Contribution Plan? <u>No</u>		
3	Actuarial Cost Method? <u>Yes</u>	IRS Code: <u>001</u>		
4	Annual Contribution by Employer: <u>\$ -0-</u>	Is the Plan Over Funded? <u>Yes</u>		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	178,589	155,565	-12.89%
8	Service cost	5,951	4,982	-16.28%
9	Interest Cost	11,915	11,247	-5.61%
10	Plan participants' contributions			
11	Amendments	(6,463)	5,454	184.39%
12	Actuarial (Gain)/Loss	(14,679)	10,088	168.72%
13	Acquisition			
14	Benefits paid	(12,109)	(8,747)	27.76%
15	Expenses paid	(1,107)		100.00%
16	Benefit obligation at end of year	162,097	178,589	10.17%
17	Change in Plan Assets			
18	Fair value of plan assets at beginning of year	178,878	166,242	-7.06%
19	Actual return on plan assets	19,902	21,383	7.44%
20	Acquisition			
21	Employer contribution			
22	Plan participants' contributions	-	-	
23	Benefits paid	(12,109)	(8,747)	27.76%
24	Expenses paid	(1,107)		100.00%
25	Fair value of plan assets at end of year	185,564	178,878	-3.60%
26	Funded Status	23,467	289	-98.77%
27	Unrecognized net actuarial loss	(38,667)	(19,767)	48.88%
28	Unrecognized prior service cost	11,651	19,455	66.98%
29	Unrecognized net transition obligation/(asset)	(5,929)	(7,015)	-18.32%
30	Prepaid (accrued) benefit cost	(9,478)	(7,038)	25.74%
31				
32	Weighted-average Assumptions as of Year End			
33	Discount rate	7.75%	6.75%	-12.90%
34	Expected return on plan assets	9.00%	9.00%	
35	Rate of compensation increase	4.00%	4.00%	
36				
37	Components of Net Periodic Benefit Costs			
38	Service cost	5,951	4,982	-16.28%
39	Interest cost	11,915	11,247	-5.61%
40	Expected return on plan assets	(15,681)	(14,768)	5.82%
41	Transition (asset)/obligation recognition	(1,086)	(1,086)	
42	Amortization of prior service cost	1,341	1,654	23.34%
43	Recognized net actuarial loss	-	(562)	
44	Net periodic benefit cost	2,440	1,467	-39.88%
45				
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End	not available by state		
50	Number of Company Employees:			
51	Covered by the Plan	2,445	2,393	-2.13%
52	Not Covered by the Plan			
53	Active	1,354	1,310	-3.25%
54	Retired	772	756	-2.07%
55	Deferred Vested Terminated	319	327	2.51%

Other Post Employment Benefits (OPEBS)

	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	Weighted-average Assumptions as of Year End			
7	Discount rate	7.75%	6.75%	-12.90%
8	Expected return on plan assets	9.00%	9.00%	
9	Medical Cost Inflation Rate	5.00%	5.00%	
10	Actuarial Cost Method	Proj Unit Credit	Proj Unit Credit	
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13	VEBA - yes			
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year	32,345	31,802	-1.68%
20	Service cost	696	585	-15.95%
21	Interest Cost	2,178	2,100	-3.58%
22	Plan participants' contributions			
23	Amendments			
24	Actuarial (Gain)/Loss	(2,377)	108	-104.54%
25	Acquisition			
26	Benefits paid	(2,205)	(2,250)	-2.04%
27	Benefit obligation at end of year	30,637	32,345	5.57%
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year	12,459	11,098	-10.92%
30	Actual return on plan assets	3,228	1,374	-57.43%
31	Acquisition			
32	Employer contribution	809	731	-9.64%
33	Plan participants' contributions	-		
34	Benefits paid	(688)	(744)	-8.14%
35	Fair value of plan assets at end of year	15,808	12,459	-21.19%
36	Funded Status	(14,829)	(19,886)	-34.10%
37	Unrecognized net actuarial loss	(9,997)	(5,626)	43.72%
38	Unrecognized net transition obligation/(asset)	19,933	21,467	7.70%
39	Prepaid (accrued) benefit cost	(4,893)	(4,045)	17.33%
40	Components of Net Periodic Benefit Costs			
41	Service cost	696	585	-15.95%
42	Interest cost	2,178	2,100	-3.58%
43	Expected return on plan assets	(1,075)	(953)	11.35%
44	Transition (asset)/obligation recognition	1,534	1,533	-0.07%
45	Amortization of prior service cost			
46	Recognized net actuarial loss	(159)	(326)	-105.03%
47	Net periodic benefit cost	3,174	2,939	-7.40%
48	Accumulated Post Retirement Benefit Obligation			
49	Amount Funded through VEBA	15,808,000	12,459,000	-21.19%
50	Amount Funded through 401(h)			
51	Amount Funded through Other _____			
52	TOTAL	15,808,000	12,459,000	-21.19%
53	Amount that was tax deductible - VEBA	15,808,000	12,459,000	-21.19%
54	Amount that was tax deductible - 401(h)			
55	Amount that was tax deductible - Other _____			
56	TOTAL	15,808,000	12,459,000	-21.19%

Other Post Employment Benefits (OPEBS) Continued

Year: 1999

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	1,968	1,923	
3	Not Covered by the Plan			
4	Active	1,348	1,310	
5	Retired	620	613	
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year	Not available by state		
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Timothy Swant Hydro Licensing & Safety Coordinator				73,070	70,245	4%
2	Patrick Kelly Chief Operator				71,601	61,320	17%
3	Max Bonney Journeyman Operator				62,082	57,135	9%
4	Lyle Wiltse Journeyman Operator				60,854	55,110	10%
5	Wesley Monroe Journeyman Operator				58,935	54,085	9%
6	Daniel Thomason Journeyman Operator				58,807	55,605	6%
7	Thomas Lampshire Journeyman Operator				58,459	54,470	7%
8	Robert Dougherty Journeyman Operator				57,185	20,642	177%
9	Nathan Hall Hydro Licensing & Safety Coordinator				52,294	53,736	-3%
10	Terry Heyne Station Utilityman				45,145	40,566	11%

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	T. M. Matthews				942,431	1,354,808	-30%
2	G. G. Ely				308,077	211,654	46%
3	J. E. Eliassen				285,638	249,538	14%
4	D. J. Meyer				268,461	470,629	-43%
5	R. D. Fukai				249,982	228,822	9%

BALANCE SHEET

Year: 1999

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Electric Plant in Service	2,061,840,040	2,151,237,536	-4%
4	101.1 Property Under Capital Leases			
5	102 Electric Plant Purchased or Sold			
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use			
8	106 Completed Constr. Not Classified - Electric			
9	107 Construction Work in Progress - Electric	45,390,868	30,912,195	47%
10	108 (Less) Accumulated Depreciation	(643,699,326)	(687,005,980)	6%
11	111 (Less) Accumulated Amortization	(9,463,734)	(9,856,670)	4%
12	114 Electric Plant Acquisition Adjustments	33,460,579	33,460,579	0%
13	115 (Less) Accum. Amort. Elec. Acq. Adj.	(16,587,055)	(17,910,471)	7%
14	120 Nuclear Fuel (Net)			
15	TOTAL Utility Plant	1,470,941,372	1,500,837,189	-2%
16				
17	Other Property & Investments			
18	121 Nonutility Property	2,850,063	6,950,903	-59%
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Prop.	(63,142)	(193,356)	67%
20	123 Investments in Associated Companies			
21	123.1 Investments in Subsidiary Companies	271,791,450	230,307,169	18%
22	124 Other Investments	73,124,401	65,527,205	12%
23	125 Sinking Funds	24,807,070	27,893,879	-11%
24	TOTAL Other Property & Investments	372,509,842	330,485,800	13%
25				
26	Current & Accrued Assets			
27	131 Cash	22,402,175	(3,865,036)	680%
28	132-134 Special Deposits	50,200	200	25000%
29	135 Working Funds	230,647	186,596	24%
30	136 Temporary Cash Investments	430	2,072	-79%
31	141 Notes Receivable			
32	142 Customer Accounts Receivable	99,947,726	76,566,437	31%
33	143 Other Accounts Receivable	2,386,272	1,783,086	34%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(2,369,193)	(1,599,112)	-48%
35	145 Notes Receivable - Associated Companies	1,843,802		
36	146 Accounts Receivable - Associated Companies	2,452,789	(129,672)	1992%
37	151 Fuel Stock	6,284,382	5,318,489	18%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	10,800,930	11,384,273	-5%
41	155 Merchandise			
42	156 Other Material & Supplies	150,852	55,649	171%
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed	249,768	475,204	-47%
45	165 Prepayments	23,500,913	11,210,799	110%
46	171 Interest & Dividends Receivable	161,542	34,917	363%
47	172 Rents Receivable	1,170,134	837,222	40%
48	173 Accrued Utility Revenues			
49	174 Miscellaneous Current & Accrued Assets	469,640	344,505	36%
50	TOTAL Current & Accrued Assets	169,733,009	102,605,629	65%

BALANCE SHEET

Year: 1999

	Account Number & Title	Last Year	This Year	% Change
1				
2	Assets and Other Debits (cont.)			
3				
4	Deferred Debits			
5				
6	181 Unamortized Debt Expense	14,164,977	15,724,491	-10%
7	182.1 Extraordinary Property Losses			
8	182.2 Unrecovered Plant & Regulatory Study Costs	437,062		
	182.3 Other Regulatory Assets	179,474,565	174,202,422	3%
9	183 Prelim. Survey & Investigation Charges	340,687	5,002	6711%
10	184 Clearing Accounts	(1,574,479)	1,719,958	-192%
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	71,064,225	66,619,693	7%
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.	4,997		
15	189 Unamortized Loss on Reacquired Debt	14,248,775	15,397,185	-7%
16	190 Accumulated Deferred Income Taxes	28,250,810	44,016,595	-36%
17	TOTAL Deferred Debits	306,411,619	317,685,346	-4%
18				
19	TOTAL Assets & Other Debits	2,319,595,842	2,251,613,964	3%
	Account Title	Last Year	This Year	% Change
20				
21	Liabilities and Other Credits			
22				
23	Proprietary Capital			
24				
25	201 Common Stock Issued	381,400,654	318,730,565	20%
26	202 Common Stock Subscribed			
27	204 Preferred Stock Issued	311,820,572	306,286,353	2%
28	205 Preferred Stock Subscribed			
29	207 Premium on Capital Stock			
30	211 Miscellaneous Paid-In Capital			
31	213 (Less) Discount on Capital Stock			
32	214 (Less) Capital Stock Expense	(11,769,329)	(12,324,299)	5%
33	215 Appropriated Retained Earnings	41,621,502	(20,542,668)	303%
34	216 Unappropriated Retained Earnings	78,823,334	108,063,874	-27%
35	217 (Less) Reacquired Capital Stock			
36	TOTAL Proprietary Capital	801,896,733	700,213,825	15%
37				
38	Long Term Debt			
39				
40	221 Bonds	449,300,000	372,200,000	21%
41	222 (Less) Reacquired Bonds			
42	223 Advances from Associated Companies			
43	224 Other Long Term Debt	347,509,481	443,503,709	-22%
44	225 Unamortized Premium on Long Term Debt			
45	226 (Less) Unamort. Discount on L-Term Debt-Dr.	(1,099,218)	(704,090)	-56%
46	TOTAL Long Term Debt	795,710,263	814,999,619	-2%

BALANCE SHEET

Year: 1999

	Account Number & Title	Last Year	This Year	% Change
1				
2	Total Liabilities and Other Credits (cont.)			
3				
4	Other Noncurrent Liabilities			
5				
6	227 Obligations Under Cap. Leases - Noncurrent			
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages	1,264,717	1,109,280	14%
9	228.3 Accumulated Provision for Pensions & Benefits	12,108,927	16,685,931	-27%
10	228.4 Accumulated Misc. Operating Provisions			
11	229 Accumulated Provision for Rate Refunds			
12	TOTAL Other Noncurrent Liabilities	13,373,644	17,795,211	-25%
13				
14	Current & Accrued Liabilities			
15				
16	231 Notes Payable			
17	232 Accounts Payable	90,024,495	67,577,808	33%
18	233 Notes Payable to Associated Companies		17,624,684	-100%
19	234 Accounts Payable to Associated Companies	634,315	11,439,285	-94%
20	235 Customer Deposits	1,345,897	2,202,241	-39%
21	236 Taxes Accrued	14,630,044	21,184,286	-31%
22	237 Interest Accrued	14,299,526	14,092,536	1%
23	238 Dividends Declared	712	(1)	71300%
24	239 Matured Long Term Debt			
25	240 Matured Interest			
26	241 Tax Collections Payable	467,294	704,542	-34%
27	242 Miscellaneous Current & Accrued Liabilities	27,287,878	17,369,538	57%
28	243 Obligations Under Capital Leases - Current			
29	TOTAL Current & Accrued Liabilities	148,690,161	152,194,919	-2%
30				
31	Deferred Credits			
32				
33	252 Customer Advances for Construction	2,293,763	1,884,242	22%
34	253 Other Deferred Credits	173,601,982	168,640,959	3%
35	254 Other Regulatory Liabilities	2,085,343	1,871,248	11%
36	255 Accumulated Deferred Investment Tax Credits	866,808	817,500	6%
37	256 Deferred Gains from Disposition Of Util. Plant			
38	257 Unamortized Gain on Reacquired Debt			
39	281-283 Accumulated Deferred Income Taxes	381,077,145	393,196,441	-3%
40	TOTAL Deferred Credits	559,925,041	566,410,390	-1%
41				
42	TOTAL LIABILITIES & OTHER CREDITS	2,319,595,842	2,251,613,964	3%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 1999

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
3				
4	301 Organization			
5	302 Franchises & Consents	193,078	6,390,615	-97%
6	303 Miscellaneous Intangible Plant	42,202	43,681	-3%
7				
8	TOTAL Intangible Plant	235,280	6,434,296	-96%
9				
10	Production Plant			
11				
12	Steam Production			
13				
14	310 Land & Land Rights	1,305,960	1,307,499	0%
15	311 Structures & Improvements	99,107,391	99,146,659	0%
16	312 Boiler Plant Equipment	113,768,752	114,165,838	0%
17	313 Engines & Engine Driven Generators			
18	314 Turbogenerator Units	30,115,742	30,224,836	0%
19	315 Accessory Electric Equipment	13,470,610	13,480,441	0%
20	316 Miscellaneous Power Plant Equipment	12,379,081	12,444,517	-1%
21				
22	TOTAL Steam Production Plant	270,147,536	270,769,790	0%
23				
24	Nuclear Production			
25				
26	320 Land & Land Rights			
27	321 Structures & Improvements			
28	322 Reactor Plant Equipment			
29	323 Turbogenerator Units			
30	324 Accessory Electric Equipment			
31	325 Miscellaneous Power Plant Equipment			
32				
33	TOTAL Nuclear Production Plant	0	0	0%
34				
35	Hydraulic Production			
36				
37	330 Land & Land Rights	37,917,515	37,926,715	0%
38	331 Structures & Improvements	10,815,084	10,988,890	-2%
39	332 Reservoirs, Dams & Waterways	30,898,074	30,904,174	0%
40	333 Water Wheels, Turbines & Generators	30,134,671	30,270,891	0%
41	334 Accessory Electric Equipment	4,440,826	5,916,887	-25%
42	335 Miscellaneous Power Plant Equipment	1,702,509	1,734,788	-2%
43	336 Roads, Railroads & Bridges	164,972	164,971	0%
44				
45	TOTAL Hydraulic Production Plant	116,073,651	117,907,316	-2%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 1999

	Account Number & Title	Last Year	This Year	% Change
1				
2	Production Plant (cont.)			
3				
4	Other Production			
5				
6	340 Land & Land Rights			
7	341 Structures & Improvements			
8	342 Fuel Holders, Producers & Accessories			
9	343 Prime Movers			
10	344 Generators			
11	345 Accessory Electric Equipment			
12	346 Miscellaneous Power Plant Equipment			
13				
14	TOTAL Other Production Plant	0	0	0%
15				
16	TOTAL Production Plant	386,221,187	388,677,106	-1%
17				
18	Transmission Plant			
19				
20	350 Land & Land Rights	883,385	883,384	0%
21	352 Structures & Improvements	130,527	456,643	-71%
22	353 Station Equipment	14,152,247	14,417,605	-2%
23	354 Towers & Fixtures	16,011,129	16,012,151	0%
24	355 Poles & Fixtures	6,960,248	7,129,824	-2%
25	356 Overhead Conductors & Devices	15,725,639	15,740,689	0%
26	357 Underground Conduit			
27	358 Underground Conductors & Devices			
28	359 Roads & Trails	367,476	367,476	0%
29				
30	TOTAL Transmission Plant	54,230,651	55,007,772	-1%
31				
32	Distribution Plant			
33				
34	360 Land & Land Rights			
35	361 Structures & Improvements	15,880	15,880	0%
36	362 Station Equipment	151,641	151,641	0%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	8,955	8,955	0%
39	365 Overhead Conductors & Devices	6,676	6,676	0%
40	366 Underground Conduit	46	46	0%
41	367 Underground Conductors & Devices	638	638	0%
42	368 Line Transformers	897	897	0%
43	369 Services	127	127	0%
44	370 Meters	29	29	0%
45	371 Installations on Customers' Premises			
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems			
48				
49	TOTAL Distribution Plant	184,889	184,889	0%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 1999

	Account Number & Title	Last Year	This Year	% Change
1				
2	General Plant			
3				
4	389 Land & Land Rights			
5	390 Structures & Improvements			
6	391 Office Furniture & Equipment			
7	392 Transportation Equipment			
8	393 Stores Equipment			
9	394 Tools, Shop & Garage Equipment			
10	395 Laboratory Equipment			
11	396 Power Operated Equipment			
12	397 Communication Equipment		433	-100%
13	398 Miscellaneous Equipment			
14	399 Other Tangible Property			
15				
16	TOTAL General Plant	0	433	0%
17				
18	TOTAL Electric Plant in Service	440,872,007	450,304,496	0%

MONTANA DEPRECIATION SUMMARY

Year: 1999

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1					
2	Steam Production	270,769,790	111,610,772	119,849,711	4.43%
3	Nuclear Production				
4	Hydraulic Production	117,907,316	9,709,478	12,047,335	1.02%
5	Other Production				
6	Transmission	55,007,772	10,645,452	18,294,040	3.32%
7	Distribution	184,889	51,250	50,983	2.76%
8	General - Allocated	3,344,377	1,021,331	1,120,736	3.35%
9	TOTAL	447,214,144	133,038,283	151,362,805	0

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	274,521	318,260	-14%
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)	1,970,464	1,884,841	5%
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16				
17	TOTAL Materials & Supplies	2,244,985	2,203,101	2%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number			
2	Order Number			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	TOTAL			
9				
10	Actual at Year End			
11				
12	Common Equity			
13	Preferred Stock			
14	Long Term Debt			
15	Other			
16	TOTAL			

Reference is made to Schedule 27

STATEMENT OF CASH FLOWS

Year: 1999

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	78,139,347	26,030,378	200%
6	Depreciation	51,777,294	54,584,538	-5%
7	Amortization	20,619,717	22,533,832	-8%
8	Deferred Income Taxes - Net	7,784,822	15,509,100	-50%
9	Investment Tax Credit Adjustments - Net	(1,198,065)	(49,308)	-2330%
10	Change in Operating Receivables - Net	(48,027,541)	25,240,759	-290%
11	Change in Materials, Supplies & Inventories - Net	2,351,909	(517,188)	555%
12	Change in Operating Payables & Accrued Liabilities - Net	36,247,416	(12,402,105)	392%
13	Allowance for Funds Used During Construction (AFUDC)	(1,282,887)	(1,040,169)	-23%
14	Change in Other Assets & Liabilities - Net	(23,133,675)	31,111,049	-174%
15	Other Operating Activities (explained on attached page)	148,973,397	(10,168,688)	1565%
16	Net Cash Provided by/(Used in) Operating Activities	272,251,734	150,832,198	80%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(93,887,277)	(87,258,093)	-8%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	197,627	334,725	-41%
23	Investments In and Advances to Affiliates	(41,460,000)	(40,000,000)	-4%
24	Contributions and Advances from Affiliates	(1,843,802)	93,598,120	-102%
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)	8,415,927	(30,627,472)	127%
27	Net Cash Provided by/(Used in) Investing Activities	(128,577,525)	(63,952,720)	-101%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt	84,000,000	108,700,000	-23%
32	Preferred Stock			
33	Common Stock			
34	Other:	455,248	1,054,500	-57%
35	Net Increase in Short-Term Debt		118,500,000	-100%
36	Other:	(8,850,588)	(5,528,484)	-60%
37	Payment for Retirement of:			
38	Long-Term Debt	(14,000,000)	(208,300,000)	93%
39	Preferred Stock	(10,000,000)	(5,917,739)	-69%
40	Common Stock	(1,475,492)	(81,984,864)	98%
41	Other:	(11,000)	(5,771)	-91%
42	Net Decrease in Short-Term Debt	(108,500,000)		
43	Dividends on Preferred Stock	(7,638,026)	(21,403,223)	64%
44	Dividends on Common Stock	(56,910,272)	(18,353,516)	-210%
45	Other Financing Activities (explained on attached page)			
46	Net Cash Provided by (Used in) Financing Activities	(122,930,130)	(113,239,097)	-9%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	20,744,079	(26,359,619)	179%
49	Cash and Cash Equivalents at Beginning of Year	1,939,373	22,683,452	-91%
50	Cash and Cash Equivalents at End of Year	22,683,452	(3,676,167)	717%

STATEMENT OF CASH FLOWS

Year: 1999

	Description	Last Year	This Year	% Change
1				
2	Detail of Lines 15 and 26			
3				
4	Line 15: Other Operating Activities			
5	Net Increase in Other Regulatory Liabilities	-	-	0%
6	Idaho Accretion Income	(105,104)	(98,184)	-7%
7	Change in Dividends Declared	(714)	41,124	-102%
8	Non-Monetary Power Transactions	17,433,628	352,841	4841%
9	Regulatory Gas Cost and Power Cost Adjustment	(3,511,983)	(14,905,770)	76%
10	Monetization of contract	143,400,000	-	
11	Other	(8,242,430)	4,441,301	-286%
12	Total Line 15	148,973,397	(10,168,688)	1565%
13				
14	Line 26: Other Investing Activities			
15	Dividends from Subsidiary Companies	-	-	
16	Changes in Other Non-Current Balance Sheet Accts	7,841,522	(27,540,663)	128%
17	Other Special Funds	574,405	(3,086,809)	119%
18	Net Cash Provided by/(Used in) Investing Activities	8,415,927	(30,627,472)	127%

Company Name: Avista Corporation

LONG TERM DEBT

Year: 1999

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1									
2	<u>Secured Medium-Term Notes</u>								
3	Series A	various	various	250,000,000	248,374,625	139,400,000	various	20,665,303	7.85%
4	Series B	various	various	161,000,000	160,141,500	124,000,000	various		
5					Annual Net Cost and Total Cost % figures are for both Series combined				
6									
7									
8	<u>Pollution Control Bonds</u>								
9	Colstrip 1999A	9-1-99	10-1-32	66,700,000	63,948,144	66,700,000	various	2,548,349	3.82%
10	Colstrip 1999B	9-1-99	3-1-34	17,000,000	16,305,683	17,000,000	various	648,354	3.81%
11	6% Pollution Control Bonds	7-1-93	12-1-23	4,100,000	3,913,000	4,100,000	6.34%	259,924	6.34%
12									
13									
14									
15	<u>Unsecured Medium-Term Notes</u>								
16	Series A	various	various	200,000,000	not available	31,000,000	various	17,734,842	7.51%
17	Series B	various	various	150,000,000	149,175,000	96,000,000	various		
18	Series C	various	various	84,000,000	83,428,500	109,000,000	various		
19					Annual Net Cost and Total Cost % figures are for all three Series combined				
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	TOTAL			932,800,000	725,286,452	587,200,000		41,856,772	7.13%

Company Name: Avista Corporation

SCHEDULE 25

PREFERRED STOCK

Year: 1999

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	Subject to mandatory redemption: Series K	9-15-92	350,000	\$100.00	-	32,910,609	\$6.95	35,000,000	2,432,500	7.39%
2										
3										
4	Not subject to mandatory redemption: Convertible Series L	12-1-98	1,540,460	\$182.80	-	269,227,000	\$12.40	263,309,000	18,701,804	6.95%
5										
6										
7	Company-Obligated Mandatorily Redeemable Preferred Trust Securities:	1-23-97	2,400,000	\$25.00	-	57,541,110	\$1.96875	60,000,000	4,725,000	8.21%
8										
9										
10	Series A	6-3-97	50,000	\$1,000.00	-	48,925,266	various	50,000,000	3,315,340	6.78%
11										
12										
13	Series B									
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
32	TOTAL					408,603,985		408,309,000	29,174,644	

COMMON STOCK

Year: 1999

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price		Price/ Earnings Ratio
							High	Low	
1									
2									
3									
4	January	40,453,729					19.563	18.000	
5									
6	February	40,453,729					18.500	15.875	
7									
8	March	40,453,729	13.71 *	0.35	0.12		16.938	15.938	
9									
10	April	40,453,729					16.500	14.625	
11									
12	May	40,117,429					18.188	15.000	
13									
14	June	38,880,529	13.59 *	0.08	0.12		18.063	16.250	
15									
16	July	37,029,129					17.500	16.250	
17									
18	August	35,861,529					17.500	16.563	
19									
20	September	35,644,829	13.72 *	0.61	0.12		18.063	16.688	
21									
22	October	35,644,829					18.125	16.688	
23									
24	November	35,648,239					18.125	16.125	
25									
26	December	35,648,239	12.95 *	(0.92)	0.12		16.438	15.000	
27									
28									
29	* Assumes Convertible Preferred Stock has been converted back to common stock.								
30									
31									
32	TOTAL Year End	35,648,239	12.95 *	0.12	0.48	-300.00%	15.438		128.7

MONTANA EARNED RATE OF RETURN

Year: 1999

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service			
3	108 (Less) Accumulated Depreciation			
4	NET Plant in Service	0	0	0.00%
5	Additions			
6	154, 156 Materials & Supplies			
7	165 Prepayments			
8	Other Additions			
9	TOTAL Additions	0	0	0.00%
10				
11	Deductions			
12	190 Accumulated Deferred Income Taxes			
13	252 Customer Advances for Construction			
14	255 Accumulated Def. Investment Tax Credits			
15	Other Deductions			
16	TOTAL Deductions	0	0	0.00%
17	TOTAL Rate Base	0	0	0.00%
18				
19	Net Earnings			
20				
21				
22	Rate of Return on Average Rate Base			0.00%
23				
24	Rate of Return on Average Equity			0.00%
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
29				
30				
31	Avista Corporation had 21 customers with			
32	1999 revenues of \$24,779,044 in the State of			
33	Montana. Rates charged were based on the			
34	Company's last rate order from the Idaho			
35	Public Utilities Commission and accepted			
36	by the Montana Commission. The Company			
37	does not calculate separate rates of return			
38	for the Montana jurisdiction.			
39				
40				
41				
42				
43				
44				
45				
46				
47	Adjusted Rate of Return on Average Rate Base			0.00%
48				
49	Adjusted Rate of Return on Average Equity			0.00%

MONTANA COMPOSITE STATISTICS

Year: 1999

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	450,304
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	2,203
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(151,363)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	301,144
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	24,779
18		
19	403 - 407 Depreciation & Amortization Expenses	18,324
20	Federal & State Income Taxes	301
21	Other Taxes	8,981
22	Other Operating Expenses	32,395
23	TOTAL Operating Expenses	60,001
24		
25	Net Operating Income	(35,222)
26		
27	415-421.1 Other Income	
28	421.2-426.5 Other Deductions	
29		
30	NET INCOME	(35,222)
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	11
36	Commercial	1
37	Industrial	
38	Other	9
39		
40	TOTAL NUMBER OF CUSTOMERS	21
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Kwh))	17,182
45	Average Annual Residential Cost per (Kwh) (Cents) *	4.158
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	\$65.49
48	Gross Plant per Customer	\$40,937

Company Name: Avista Corporation

SCHEDULE 29

MONTANA CUSTOMER INFORMATION

Year: 1999

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1						
2	Noxon, Montana		11	1	5	17
3						
4	Montana Power Company				1	1
5						
6	Others - sales for resale				3	3
7						
8						
9						
10						
11						
12						
13						
14						
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18						
19						
20						
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25						
26						
27						
28						
29						
30						
31						
32	TOTAL Montana Customers	0	11	1	9	21

MONTANA EMPLOYEE COUNTS

Year: 1999

	Department	Year Beginning	Year End	Average
1				
2	Noxon Generating Station	21	22	22
3				
4				
5				
6				
7				
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43				
44				
45				
46				
47				
48				
49				
50	TOTAL Montana Employees	21	22	22

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2000

	Project Description	Total Company	Total Montana
1			
2	Noxon control	3,860,920	3,860,920
3			
4	Minor projects (3) under \$100,000	25,476	25,476
5			
6			
7			
8			
9			
10			
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47			
48			
49			
50	TOTAL	3,886,396	3,886,396

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 1999

System						
		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	4	1900	1385	2,540,957	1,727,319
2	Feb.	11	0800	1423	2,068,755	1,342,647
3	Mar.	9	2000	1314	1,902,899	1,144,010
4	Apr.	14	0800	1203	1,940,142	1,258,375
5	May	24	1600	1210	2,311,667	1,629,388
6	Jun.	24	1300	1112	2,312,796	1,640,531
7	Jul.	28	1600	1414	2,903,406	2,177,876
8	Aug.	2	1700	1402	2,745,966	2,008,438
9	Sep.	15	1700	1185	2,783,636	2,132,012
10	Oct.	18	0800	1234	2,159,244	1,470,017
11	Nov.	22	1800	1329	2,134,578	1,434,554
12	Dec.	13	1800	1421	2,640,455	1,812,720
13	TOTAL				28,444,501	19,777,887

Montana						
		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.	Information in these columns is not available by state				80,725
15	Feb.					69,663
16	Mar.					78,747
17	Apr.					75,485
18	May					76,779
19	Jun.					74,588
20	Jul.					80,099
21	Aug.					85,425
22	Sep.					80,152
23	Oct.					80,762
24	Nov.					72,853
25	Dec.					76,461
26	TOTAL				0	931,739

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	3,119,429	Sales to Ultimate Consumers (Include Interdepartmental)	8,156,926
3	Nuclear			
4	Hydro - Conventional	4,286,361		
5	Hydro - Pumped Storage		Requirements Sales for Resale	
6	Other	233,803		
7	(Less) Energy for Pumping			
8	NET Generation	7,639,593	Non-Requirements Sales for Resale	19,777,887
9	Purchases	20,789,464		
10	Power Exchanges			
11	Received	944,607	Energy Furnished Without Charge	
12	Delivered	929,163		
13	NET Exchanges	15,444		
14	Transmission Wheeling for Others		Energy Used Within Electric Utility	8,025
15	Received	6,255,956		
16	Delivered	6,255,956		
17	NET Transmission Wheeling	-	Total Energy Losses	501,663
18	Transmission by Others Losses			
19	TOTAL	28,444,501	TOTAL	28,444,501

SOURCES OF ELECTRIC SUPPLY

Year: 1999

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1					
2	Washington:				
3	Thermal	Centralia	Centralia, WA	201	1,224,180
4	Thermal	Kettle Falls	Kettle Falls, WA	49	272,900
5	Hydro	Little Falls	Ford, WA	36	231,691
6	Hydro	Long Lake	Ford, WA	88	560,341
7	Hydro	Monroe Street	Spokane, WA	15	115,015
8	Hydro	Nine Mile	Spokane, WA	25	152,625
9	Hydro	Upper Falls	Spokane, WA	10	77,720
10	Combustion -				
11	Turbine	Northeast	Spokane, WA	69	17,844
12					
13					
14					
15	Idaho:				
16	Hydro	Cabinet Gorge	Clark Fork, ID	236	1,153,128
17	Hydro	Post Falls	Post Falls, ID	18	98,279
18	Combustion -				
19	Turbine	Rathdrum	Rathdrum, ID	176	215,959
20					
21					
22					
23	Montana:				
24	Thermal	Colstrip #3 and #4	Colstrip, MT	222	1,622,349
25	Hydro	Noxon	Thompson Falls, MT	528	1,896,663
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
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45					
46					
47					
48					
49	Total			1,673	7,638,694

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 1999

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)
1	Not applicable						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
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25							
26							
27							
28							
29							
30							
31							
32	TOTAL	\$0	\$0	0.00%	0	0	0

MONTANA CONSUMPTION AND REVENUES

Year: 1999

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$8,645	\$7,546	189	165	11	11
2	Commercial - Small	1,877	1,899	29	29	1	1
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Public Street & Highway Lighting						
8	Other Sales to Public Authorities						
9	Sales to Cooperatives						
10	Sales to Other Utilities	23,773,038	14,783,259	931,739	436,385	4	2
11	Interdepartmental	5,037	4,554	77	68	5	5
12							
13	TOTAL	\$23,788,597	\$14,797,258	932,034	436,647	21	19